



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

233 Peachtree Street Ste. 600
Atlanta, GA 30303

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 7, 2008

Mr. Troy E. Valenzula
Vice President
Environmental Health & Safety
Plains Pipeline, L.P.
333 Clay Street Suite 1600
Houston, TX 77210

CPF 2-2008-5001W

Dear Mr. Valenzula:

On July 17 - 21, 2006, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your hazardous liquid pipeline facilities and reviewed records in Mississippi and Alabama.

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

1. **§195.573 What must I do to monitor external corrosion control?**
 - (a) ***Protected pipelines.*** You must do the following to determine whether cathodic protection required by this subpart complies with §195.571:
 - (2) **Identify before December 29, 2003 or not more than 2 years after cathodic protection is installed, whichever comes later, the circumstances in which a close-interval survey or comparable technology is practicable and necessary to accomplish the objectives of paragraph 10.1.1.3 of NACE Standard RP0169-96 (incorporated by reference, see §195.3).**

Plains did not provide a record of this evaluation. Post inspection PHMSA received a response from operator regarding this code. This response did not provide verification that Plains had identified circumstances in which a close-interval survey or comparable technology would be practicable and necessary to accomplish the objectives of paragraph 10.1.1.3 of NACE standard RP0169-96.

2. **§195.432 Inspection of in-service breakout tanks.**
 - (b) Each operator shall inspect the physical integrity of in-service atmospheric and low pressure steel aboveground breakout tanks according to section 4 of API Standard 653. However, if structural conditions prevent access to the tank bottom, the bottom integrity may be assessed according to a plan included in the operations and maintenance manual under §195.402(c)(3).
 - (d) The intervals of inspection specified by documents referenced in paragraphs (b) and (c) of this section begin on May 3, 1999, or on the operator's last recorded date of the inspection, whichever is earlier.

Plains did not provide API 653 evaluation reports for 14 breakout tanks during the inspection. In addition, API 653 report provided for tank 1193 at Lumberton station was dated August 1999 and outside of the required 5 year time period.

3. **§195.404 Maps and records.**
 - (a) Each operator shall maintain current maps and records of its pipeline systems that include at least the following information:
 - (2) All crossings of public roads, railroads, rivers, buried utilities, and foreign pipelines.

Plains did not provide a recent survey map or record for its pipeline showing public roads, railroads, rivers, buried utilities and foreign pipelines. The map provided was over 30 years old with no updates and only covered a portion of the pipeline.

4. **§195.583 What must I do to monitor atmospheric corrosion control?**
 - (a) You must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:
 - (b) During inspections you must give particular attention to pipe at soil-to-air interfaces, under thermal insulation, under disbanded coatings, at pipe supports, in splash zones, at deck penetrations, and in spans over water.
 - (c) If you find atmospheric corrosion during an inspection, you must provide protection against the corrosion as required by §195.581.

§195.581 Which pipelines must I protect against atmospheric corrosion and what coating material may I use?

- (a) You must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere, except pipelines under paragraph (c) of this section.
- (b) Coating material must be suitable for the prevention of atmospheric corrosion.

Records provided during the inspection were insufficient to address issues found in the field – rusting, need for cleaning and coating of mainline valves and aboveground station piping.

5. **§195.402 Procedural manual for operations, maintenance, and emergencies.**
(c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:
(13) Periodically reviewing the work done by operator personnel to determine the effectiveness of the procedures used in normal operation and maintenance and taking corrective action where deficiencies are found.
(d) Abnormal operation. The manual required by paragraph (a) of this section must include procedures for the following to provide safety when operating design limits have been exceeded:
(5) Periodically reviewing the response of operator personnel to determine the effectiveness of the procedures controlling abnormal operation and taking corrective action where deficiencies are found.

Plains did not provide a record verifying periodic review of personnel work normal and abnormal operations to determine effectiveness of procedures.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the items identified in this letter. Failure to do so will result in Plains Pipeline, L.P. being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 2-2008-5001W**. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b).

Sincerely,



Mohammed Shoaib
Acting Director, Southern Region
Pipeline and Hazardous Materials Safety Administration